GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4828
ANSWERED ON:24.04.2003
IMPACT OF RELIANCE GAS IN CAUVERY BASIN
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ICRA has conducted any study on the impact of Reliance gas found in Cauvery basin on the prospects of upcoming LNG projects on Eastern coast;

(b) if so, whether a positive fallout of Reliance discovery of gas is increase of enthusiasm on the part of the bidders for new block; and

(c) if so, the number of new blocks on deep water have been auctioned recently and the pattern of gas/oil sharing arrangement between the ONGC and the bidders?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) No, Sir. Government is not aware of any study conducted by ICRA.However, as per the Hydrocarbon Vision 2025 the demand of Natural Gas is estimated to be 231 million standard cubic meters per day (MMSCMD) in 2006-07. The current supply is only around 65 MMSCMD. The major gas discovery by the consortium of Reliance Industries Ltd., and Niko Resources Ltd., Canada in Krishna Godavari off-shore basin on the East Coast is expected to produce 25-35 MMSCMD of gas as per the estimates of the consortium. Despite the additionality in gas supply there will remain a large gap between demand and supply. One of the options to meet this gap is through import of Liquefied Natural Gas (LNG).LNG is under Open General Licence (OGL) list and the import initiatives will be propelled by commercial viability of the respective project.

(b)&(c) Any major discovery of oil and gas is expected to improve the overall perception of the geological prospectivity and enhance the interest of exploration and production companies. Government of India has signed production sharing contracts for 24 deepwater blocks in the first three rounds of New Exploration Licensing Policy (NELP).The profit petroleum under the NELP is a biddable item and is shared between the Government and the contractors.